Every day, accountants, CPAs, EAs, and tax attorneys are uploading confidential information, workflows, and years of hard-earned expertise into public AI platforms like ChatGPT and Claude. But what are they really giving away?

In this episode, Eric Green sits down with AI entrepreneur Denis Mezheritskiy to discuss why generic AI tools aren't enough for professional firms—and why the future belongs to firms that build and control their own AI knowledge base.

They cover:

• Why public AI can expose your firm's intellectual property

• The hidden risks of uploading client data into ChatGPT

• The difference between generic AI and a proprietary "AI Brain"

• How AI employees will transform accounting firms

• Why tax professionals who embrace AI will outgrow those who don't

• How the IRS is already using AI for enforcement and audits

• What every accounting firm should be doing today to prepare for the next five years

If you're a CPA, EA, attorney, bookkeeper, or firm owner, this episode will change the way you think about AI—and may convince you to stop training someone else's platform with your expertise.

Learn more about the Tax Rep AI Brain at https://TaxRep.AI

Watch the episode here

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Why Every Tax Pro Should Be Worried About ChatGPT With Denis Mezheritskiy

The Danger Of Training Public AI Models

Thank you, everyone. Coming back to the show. I am joined again by my friend [Denis Mezheritskiy.](#) Dennis was here before. He is one of the main movers behind the AI, the way that we are using AI, how we built out the brain, or what we call the brain. It is our own agentic AI database. It has our knowledge. There is no hallucination because it is only working off our knowledge. We are very 100% thrilled because the output, as we tested it, is spot on because we have filtered it. Dennis, I wanted to bring you back. First, thanks for taking the time. You are a traveling fool. I am texting him. I am in Austin, Texas. I am texting him. I am just landing in Dubai. I am texting him. He is here. He is there. You are busy. You are busy, guys.

That is what it takes. I appreciate having been back. It is right after the 4th of July, worked the whole weekend, and it is Monday. We are back to work on this. That is awesome.

I was talking to Jeff Spars here on Friday, and I said, “Do not worry about it. Just three more work days till Monday.”

That is how it goes.

It is the nature of the beast. One of the things I wanted to ask you about, obviously, we talked before. We took our information. You guys helped us develop our own brain. It is in our TaxRep members' area, but you can also go out and just get access to it, which has been combined with the JT1 that JT Foxx and Dennis have developed. You have a CEO brain, CFO brain. You have access to stuff. I have been using it, honestly, Dennis. I have run some scenarios for members who wanted to sell their practice in terms of a term sheet, in terms of valuation.

It is immensely helpful to get that stuff at the snap of your fingers. These people have been telling me, "I will just go out to ChatGPT or go to Claude." Correct me if I'm wrong. That is a public database. That is like a public platform. As a lawyer, it is a no, no. You are providing all of your information to this third party. I would like you to clarify this. I am getting the sense that we are paying to train their brain.

There are multiple different things that are happening at the same time. First of all, you are asking that a language model be trained on publicly available data. The reason that your TaxRep AI Brain works so well is that we train this specifically on your knowledge base. We took all of your brains and got it all out and put it in a language model. There are answers based on all of the experience that you possess. It is not available to the public market. That is the problem with the large language models that are trained on publicly available information like ChatGPT.

It does not have expert opinion. This is why both ChatGPT and Claude, they all now rely. This is why Reddit is becoming a very big training model for all the LLMs, because it is a Q&A-style basis. You cannot find legitimate information in newspaper articles or on websites or on papers that do not exist. Because these language models are trained to agree with you, you feel like you are getting the right information, but you actually do not. I have just read this article.

The Hidden Security Threat To Your Firm

What is more scary, specifically for accountants, is that if you are not thinking about your own language model that you can use, that you can train, that you control, your employees are feeding your confidential client information to get answers that are misleading from publicly available sources that will ultimately expose the security issues with your clients. I see this over and over again. You have an accountant who is in the next office and checking in with ChatGPT and uploading documents to get some answers.

Is that the environment that is going to be safe for all of this government? There are two things. A, the safety aspect of bringing your confidential information out to the world, which is now you are training the model to actually know how you do your secret sauce, why people come to you, you train in that model. You get some. Can you rely on the answers that you are getting if you do not understand the source of where those answers are coming from?

Tweet: When you upload client data to public AI platforms, you aren't just getting answers—you're training your future competitors.

When we do a question in the TaxRep AI, we can pinpoint a question that you answered with the type of information to a book reference, to your article. We can pinpoint exactly, like when we were testing it, this is how we knew exactly where that actually came from. I can honestly say when I am getting an answer from the language model that I trained for myself, I am getting the answer that I would have answered anyway.

When Artificial Intelligence Invents Its Own Reality

It is. What people will not realize is that, of course, I paid for the premium ChatGPT, the top level, whatever. My wife, who has been published, I do not know, 130 times, is the director of a PhD program at a very big university. She put into the premium chat the state of the science in this particular area. It gives her a complete breakdown and points to the source in this area. An article by her. Did she tell you the story? She showed it to me. I said, "I bet you are very proud," and she said, "I would be even prouder if I had written it. She showed me.

She said to me, "Are you sure about that site? It doubled down." "Yes, it summarized." She said, "I am that person, and I do not remember writing that article. Did you make this up?" It said, "Yes, I made it up." She took screenshots to show the PhD students. She said, "Look, if you want to load something in there that is not confidential and ask it for ideas, language, potentially it is useful, but do not go and rely on it." This is the way it is programmed. It is programmed to give you an answer. If it cannot come up with one, it will make one up, which is a little disconcerting.

A 100%. If you are continuously feeding the machine with your information, then you are ultimately training your competitor. You are training the system so that they can absolutely be a competitor. I see this with Claude right now, my brother who owns a very successful RIA financial advisory firm. He was on the phone. He was telling me, "Claude did this great thing." They are giving me, for free, creating all the workflows and creating the agents all for free, just so I can have it. I am like, "Are you crazy? What exactly are you doing?" You are literally giving them your secret sauce. You grew to 350 million under management in like three years. It is unheard of. Of course they want to copy you. How can you do that? It is insane.

That is for everyone tuning in who uses ChatGPT and Claude. Just so you know, every night I drink bourbon, and I go out there, and I just tell it lies. You can do an offering cooperation as long as you offer eighteen percent. How much bourbon?

What's the whole bourbon?

Good luck with that, everybody. Anyway, I am teasing, of course. I do not drink bourbon.

That's why it's important. If you have 2 or 3 or 4 people in your practice, in your business, do you really think that not indifferently supplying AI to your employees is going to help in your business? AI is going to amplify your business. AI is going to help you get to that next level of the business, make that A-level employee an A-plus level employee. If they are using their own tools, if everybody is using their own tools, you have no idea where that information is going. What kind of confidential information is going out there to chat?

You have absolutely zero control, and you cannot control every single client that they are working with. Would you rather have your employees use your knowledge base on how you work when you AI your own company, your own self, so that everybody knows how the process works? That's how you magnify, not by utilizing ChatGPT. There is an enormous number of examples of employees using ChatGPT or Claude or whatever and uploading information that they really had no business uploading, or worse, getting information back from AI thinking that it is the correct one.

Just so you understand, everything you put in, every search, everything is stored. All of that information, you cannot get rid of it. You cannot go delete it. It is there forever. In a database that the company now has, you put it out there voluntarily in the public domain. They own it. If these people were very worried about it coming for their job, you are making it easier.

Why You Need AI Employees Instead Of Standard Agents

Let's talk about AI employees. We have been working on AI employees.

I am very excited about that.

We have been working on AI employees for quite some time at this point. Here is where everyone else has it wrong. Everybody is talking about the AI agent. I do not want my employee or the agent, whoever you call him. First of all, let us define. The agent is your system of workflows that you create as an automated process. When you get this, send this. When you get this, do this. It is like an if-that-then-this situation. An employee is someone that you think about like hiring an employee.

You have to train them. You have to give them all the SOPs. You have to create an email address for them, give them all the tools, and access to CRM. Now that's an employee. The reason everybody else is selling the agent, it does not work if it does not work on your systems. If you do not have your SOPs, if you do not have your language model, if you do not have your AI yourself, your company, what is that employee actually going to train on? Are you going to train that employee on publicly available information?

That is not going to help. This is why it has been taking us so long to really fine-tune the process so that when the AI employee is there, it is on your data. If you have the IRS resolution employee, it knows everything that Eric knows. Otherwise, how good would that employee be? If it is an administrator position, it is trained on exactly the process of an administrator that would be in that business, not just the person somewhere from the publicly available data. That is the biggest difference out there.

Scale Your Firm Without Increasing Headcount

The beauty of the employee is that so much of our processes can be done. Sending out engagement letters, here is the checklist, here is the link to upload the documents, all that stuff can all be done by an AI employee. I just want to say, we are not getting rid of our existing employees. My goal is to scale. If my employees, instead of getting stuff out to six clients a day, can now get things out to 12, 18, 24, and we could go from 1.4, 1.5 million to 3.5, 4, 5. That's what it is for. It will take over those processes. Basically, from what you have described, the AI employee can do virtually anything an actual employee could do, walking to the mailbox and dropping the mail.

Especially, this is why it's so exciting for accounting. Everybody's, I could do more revenue, I can do more business. It's not a problem. Business is not the problem. Doing the work is the problem. If you have five of you, could you do so much business? Especially in the gut, like even from the contracts, like you're sending out your engagement, you want it to be your engagement. You want it to be answered based on your engagement, your process.

Tweet: If your employees use public AI without a private database, you have zero control over where your client data actually goes.

I have an AI employee right now that literally just got a notification to schedule a meeting for me for the next week. I have trained that AI employee on how, what my calendar looks, how I like to reply, how to check, and how to make sure to schedule it appropriately. It follows my process, and it is trained on my data. It knows exactly what I do and exactly what is important to me. I want to do it.

What kind of questions to ask. If I am meeting with a prospect, it knows exactly, "By the way, we scheduled for Wednesday. Here are two things that I want to know. I want to get ready before the meeting." That does not happen if you do not step away and start using your data so that you own your data. Otherwise, you get your employee, and then what? Where is your data? All of that Claude conversation you have had in the past, where is that data? It is not yours. ChatGPT has it. I am sure they are going to be going after the next financial advisors and the accountants and lawyers. Those are the top three things that they are all going after.

Listen, we built Repworks, which is all of our workflows. It has copies of our letters in there. It is our operating system. For the folks tuning in, we are giving you 30 days free on that. Dennis, if they start using it, they are going to run their whole rep practice. Workflows here step by step, our AI tools, everything is in there. We designed that. Why? I got asked so often by the other companies, "Eric, why do you not build out your workflows? We can pay you." I am like, "What do you want to pay?" "We will give you a dollar every single time somebody uses it."

Finally, after hearing this over and over, I called our own. We know people who do software. We have friends that do this, and they are like, "Yes, we can build that. That's easy." We have launched Repworks. By the way, it has been really well received. The feedback has been great. We keep improving and upgrading. The other thing, Dennis, by the way, I want to let you know about the AI brain. Our members love this. Love it.

One of them actually just messaged me saying, "Eric, do not take offense to this, but I think I like the brain better." I was like, "None taken." Again, as Dennis was saying, if you go on, you sign up for the JT, the JT1, and our rep brain, which is now on one platform. You do not need to be a member to get it. If you go and sign up for that, what you will get from us is. If you have an IRS problem or issue, here is the answer. Here is why it is the answer, right? It explains exactly where it got the information and why this is the answer.

It says, "Here are the next five steps, here are the next ten steps to take." Our members, whereas I would say, "Do this in 2 or 3 sentences because I am busy." The brain gives them an entire breakdown, and they love it. They love it, and several have said, "I can take that, do a write-up." This is the thing I want to point out: I started to cut you off. This is how they are making money. They are charging the clients. You figure if you want an opinion on this, it's $1,500. They are taking that, they are reworking it, but they are sending letters and emails out to the clients. Here is the answer, here is why it is the answer, here is what we've got to do.

We also uploaded the IRS code into the brain. Now we have your knowledge base and IRS code. It is not, we are not a guessing game. We are providing the data, but so is every other brain type that we create. This is why I am a true believer that, with general information, you can find a lot of general information by Googling things or ChatGPTing. There's a lot of general information. I want a specialist. If I have an IRS issue, I do not want to talk to Google. I want to talk to an IRS specialist. It goes to the same things, like marketing. If I have marketing questions, I want to ask a marketing specialist.

If I have an issue or a CFO question, I want to ask a CFO question. This is why we have developed every single profile, a persona of a highly qualified individual in the C-level. I want to ask specific questions to a specific individual in my organization. This is why it all makes sense. If you are not developing, if you have been in the business for twenty years, 25 years, 15 years, and you are not creating, you are not taking what's here and making it a brain, an LLM that you can actually utilize and your employees can utilize, you are missing out. In your opinion, Eric, what do you think is going to happen to the accounting industry in the next five years? Everything's moving so crazy rapidly, like crazy rapidly. What are your thoughts?

The Future Of The Accounting Industry

What do you think is going to happen? The bigger regional firms are going to keep buying up as many of the smaller ones as they can. In terms of these solos, I think what you are going to see is the folks who are entrepreneurial and recognize the opportunity are going to be in a position to build massive practices. The folks who either will not change or will not embrace the tools are going to basically fade away. They are just going to fade away because at some point the clients are not going to want to pay enough.

If you do not automate and utilize the AI and all of that, it is like I do not know if Dennis, when I was a kid, there was a story about Big Red. It was Paul Bunyan, and it was a lumberjack. It was him versus, like, the steam engine that would grind through the mountains. They end up in this competition, and he ends up winning and then drops dead at the end because he worked himself to death against the machine. The takeaway was, had he been smart and embraced the machine.

Now you have got the lumberjack that has the machines working, and look how much more he could have done. That is the business. That is where I think it is going to go. If you are a tax broker, an accountant, or even a bookkeeper, I would be looking at every possible way that I could utilize AI and automation right now, because your job as a business owner is to get more clients. Quite frankly, you can almost automate your marketing if you really get down to it. There are marketing tools you can use to target.

The customers are not great at marketing. They are not great at marketing. To be real, they never actually had to market much.

Even now, you do not have to become a great salesman. If you come out with a value proposition, you are local, you have been doing this for a long time, and this is what I am going to do for you, that is what small business owners do not want to deal with. I want someone who will deal with it because I do not want to deal with it. I do not want to do the bookkeeping. I do not want to do the tax return. I want someone to be on top of this, tell me what I need to know, when I need to know it, and take care of this. The compliance on a small business. Property tax, sales tax, income tax. Depending on the business, you might have excise tax. The amount of just compliance crap that small businesses have to deal with. Benefits, health insurance. You name it.

There are so many things an accounting firm or bookkeeping firm can do, adding additional services and really providing value. In the future, it is not going to be the minutiae of filing returns. It is not going to be a differentiation in the marketplace. There is going to be value to the client who is actually providing the most value to the client. If you do not have the tools, you're going to be out of luck.

You cannot do it. There are only hours in the day. You're going to work yourself to death. You cannot make enough money. No, I mean, I have had Dawn Brolin on. She is one of my very best friends, one of our trainers. She talks about how she went to value relationship pricing. The return is merely a report card afterward because they have done all the planning. They have reviewed all the books. They have had their year-end meeting and all that. By the time they get to the return, it is a nothing thing.

Frankly, there should not be any surprises, because you have actually been on top of it. The biggest thing clients like is that I am getting information timely, and they can call her whenever they want. If they have any questions, call. You said, "I want to help you while you're at the dealership, not four months after year-end when you tell me about it." Every client agreed to this higher flat fee because they love the idea of having someone focused on them and communicating with them.

How The IRS Uses AI To Ramp Up Audit Enforcement

Of course, I worry about Excel spreadsheets and everything else as an automated process. I wanted to ask you for a while now. I wanted to actually ask you. I have no idea what the IRS is doing on AI, but they must be thinking about how to integrate AI into that infrastructure. There has to be. They are way outnumbered. They do not have enough funding, I would think. What exactly are they doing? Are they putting AI to work?

Yes. A couple of things. One is they have implemented chatbot AI things to answer the phones. There are millions of calls being dealt with by an AI agent. The other thing that they're doing is they're utilizing it in the audit area because it can go through tons and tons of data and identify weird trends, things that do not match. On the audit side and in the collection arena, the referrals from collections over to criminal went up 42% over the last several years. Why? It's because it can go out and find stuff. Wait a minute, this person seems to have crypto. Why is it not on their financial? Why is it not in their offer? Why is it not in their bankruptcy schedule?

They're finally connecting the dots.

It allows them now to literally see everything. As much as a human could see, they can now see. It's more enforcement, better, more targeted enforcement, and a lot cheaper. I have been telling people, look, they're going to downsize the IRS even further. In the end, I think this is all going to be a good thing, but it's going to be very chaotic over the next 3 to 5 years getting there because I wish they were a little further along with the systems and the AI.

They move very slowly.

The DOGE did not. DOGE came in and discovered it. They did not fix all the systems. That's the problem. If my hope had been they'd come in and say, "We can automate that. AI can do that, do that, in six months. Let's get this stuff in place." At the time the DOGE came in, 50% of the IRS, through natural attrition and retirement, was going to be gone in four years. My thought was we do not really have to lay anyone off. Let's focus on implementing this. We're going to put a hiring freeze, and we're going to let 50% over the next four years weed themselves out. Instead, they came in, and you saw Elon with the chainsaw. They came in there like a wrecking ball. Just honestly, it's a bit of a show right now.

Good idea, bad execution. It makes total sense.

Long term, I think it will be for the better.

It is probably going to create more work for an individual.

Tweet: The IRS is already using AI to scan crypto and find anomalies. Tax enforcement is getting faster, smarter, and way cheaper.

We're booming. TaxRep grew 80% last year. Why? I think accountants are like, I do not even know who to call anymore. More and more, they realize there's a business here. We have had people come back, people that left four years ago, like "Eric, now I got more work than I know what to do with." With AI, we're now actually moving toward pushing more referrals out to our members, which is more than we've always sent referrals, but not at the pace that we are now. No, it's a really interesting time. There's a lot of opportunity. There's a huge amount.

It's a great opportunity. I know a lot of the accountants are trying to stay away from the IRS resolution work, and they do not find it sexy enough for them to get into it. With the TaxRep AI, with all of the tools that you currently provide, it's not adding a lot of work. It's adding profit and helping your client, by the way. It's the value conversation again. You bring more value to your client.

You see, and I have to tell you, I think it is sexy. It's like being the A-Team, or being like Delta Force or the Navy SEALs. If you tell other accountants, "Look, we come in when there's a problem. You have an IRS problem. We're not doing returns. You do the returns. You're getting dumb. There's no money in returns. You do the returns. I am not taking your client. If you have a problem now, again, I'm going to want $7,500." "No, we'll come in, we'll fix it. I may not know exactly how I am

going to fix it, maybe a payment plan, maybe an offer. It depends on your client's situation, but we can fix it." We're the Delta Force in the accounting world, the tax world.

That's why I think the AI employee is going to come in really nicely. If you have 2,000 business clients, would you rather have your AI employee constantly scanning your client base and being proactive? "I see this thing and this change and maybe we can do this." There are so many other things you can provide to your client. There is just so much that we are going to develop over time, but I think it all starts with making sure that the information that you have.

The information you're giving out to your client is the information you can trust. You can trust things that you read online. All of a sudden, everybody's like, "You cannot trust what you see on Google. It was even laughable." "It must be true if it's on Google." All of a sudden, like, "ChatGPT, it knows me. It really does." It does not know you. It has been agreeing with you for the past two months.

It's a great program too. Bill Maher does this thing one night. Why is ChatGPT such a kiss-ass? He said he puts in stupid questions. It says, "That's a good question." Like, "No one is." I wish it would be like, "Bill, that's dumb." No, it is. Listen, I am going to put a link in the description. Dennis and I already did a presentation on this on the brain. JT, when combined with the JT1, that is one platform. You can get the IRS Rep brain and all of the CEO, CFO, all of the other "brains" that have been built out on that platform. It literally gives you an entire C-suite of people sitting around your table, but you do not have to pay for the space, the table, the benefits, or anything else.

Nobody calls in sick. Nobody quits, and nobody has issues.

Listen, Eric's AI brain, it's on 24/7. Dennis, thanks for taking the time. Everybody, do not go out and use that stuff and provide information, certainly about clients, but even about your own processes. If you're a TaxRep member, go into the members' area, utilize our brain. There is an opportunity to upgrade for a small fee and also get access to the JT1. If you're not a TaxRep member, I'm going to put the link below.

Go check it out. You can get access to the IRS Rep brain along with all of the other stuff that comes with the JT1 platform. It will change your business as well. Even if you do not do IRS Rep, it will just change your business. The amount of business consulting advisory power that you now have access to. We're using it, and we're lawyers. Dennis, we're going to be doing another webinar. I know we have to find a date, but I will put that out as well.

By the way, if you're not getting our emails, you really should go sign up for the list on TaxRep, and you'll find out when we're doing these. These webinars are generally free. You'll find out when we're doing a demo, when we're breaking down some new software, when we're doing something with the AI, the new tools. Go sign up for that.

We have a date already set in August for the webinar.

I think you're right.

We'll put it in the description cause we're still in July mindset.

I know it's up, but we will get that date. We'll put that out there, but meanwhile, I'll put the link. Go check out the brain.

Awesome. Thanks for having me.

Listen, thank you for taking the time. Everyone, thanks for tuning in this week on the episode. See you next week. Bye-bye.

Important Links

- [Denis Mezheritskiy on LinkedIn]
- [Denis Mezheritskiy on Instagram]
- [Denis Mezheritskiy on Facebook]
- [TaxRep AI Brain]

About Denis Mezheritskiy

Denis Mezheritskiy is President of ROI Advisors, Inc., where he advises business owners on buying, selling, valuing, and preparing companies for exit. With over 20 years in the industry, Denis has supported transactions and engagements across service, distribution, wholesale, and medical businesses, with deal sizes ranging from $5M to $100M. He is known for working in the "middle zone" - companies that are often too small for investment bankers, yet too complex for typical Main Street brokerage. In addition to M&A execution, Denis provides value-building consulting for owners who are not ready to sell today but want to systematically increase enterprise value over time. He tracks performance, identifies operational and financial levers, and builds a clear roadmap that aligns growth strategy, risk reduction, and valuation positioning.

Denis expanded his focus into AI implementation as a core value-creation lever for lower middle-market companies. As a founding partner at AI Agency Group, he helps businesses integrate AI into their infrastructure to optimize workflows, strengthen knowledge management, improve employee effectiveness, and create scalable operating capacity without proportional headcount growth. His work focuses on practical AI adoption that produces measurable operational ROI, strengthens exit narratives, and positions companies as more attractive acquisition targets. For sellers, AI integration can increase valuation multiples by showcasing modernized operations and reduced execution risk. When executed correctly, AI integration can support higher valuation multiples by demonstrating modernized operations, stronger reporting and reduced key-person risk. For buyers, Denis identifies AI upside opportunities during diligence and integration planning. This allows the buyer to build an integration plan earlier, quantify the improvement potential, and avoid emotional decision-making by grounding the deal in facts, comparables, and execution reality.